

Board of Trustees Meeting Emergency Minutes

Village of Monticello

Wednesday, January 23rd, 2023

9:00 am

Call Meeting to Order

The meeting was called to order at 9:09am by Trustee Massey.

Pledge to the Flag

Roll Call

Mayor Nikolados-Absent
Trustee Massey-Present

Trustee Rue-Present
Trustee Jenkins-Present

Trustee Banks-Absent

Also Present:

James Snowden-Village Manager
Michael Sussman-Special Counsel

Motion to accept the agenda

A motion was made by Trustee Rue with a second by Trustee Jenkins to accept the agenda. Upon the call of the roll, all present were in favor.

Discussion- 2020 & 2021 Fiscal Year Audits

The Village Auditor's, Andrew Arias from Cooper Arias, LLP was present and stated that he did an over view of the Village books for the upcoming 2020 audit and right off the back he was able to tell that there is \$500,000.00 unaccounted for as he stated in an email that he sent to the Village Treasurer and Village Manager the week prior. He stated that he is not saying that anyone has stolen anything, but being that fact that the bank recs are so far behind, he feels that it's an inaccuracy in reporting. He stated that the Village has always been at least one (1) year behind in their auditing which is normal, but being three (3) years behind is unacceptable. He stated that he understands that COVID may have thrown things off a little bit, but because of COVID, that also gave ample time for the Treasury to get caught up because everything was on hold and to his understanding the Village was still functioning. He stated that at this time, it would take an auditing firm to come in and get everything straightened out and caught up because it's definitely too much for one person to fix on their own. He also stated that if the banks recs are not caught up, which is just one piece of the pie but a major piece, there is no way to tell where the Village stands financially, which will cause major issues with getting grants and so forth to assist the Village in things they need done. We are in a situation now where the government is not giving the grant money upfront like they used to, now those seeking the money have to pay for all of the expenses first and then they are reimbursed by the government, so if the books are not up to date or not accurately reported, this is a major problem, how do you know if you can fund a project? Also if these books are not in order, what else is not in order? This issue spans over many other avenues. Treasury is the nucleus of any government and if that's not correct and up to date then I would venture to believe that not

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too much else is and the Village may be in a worse situation than it already appears to be. He stated that his office cannot even come in and get the Village caught up because that is illegal because then they would have to come back in and audit their own corrections. Our job is to essentially take the information that is presented by the Treasury and balance it all or make minor corrections, audit, check it for accuracy and give a report to the Board. In the state that the Village financials are in right now, it would take months or maybe years to correct and we do not have that kind of staff, nor time, because we serve other entities and on top of that there are legalities involved that they are not willing to encumber.

Mr. Sussman asked the Mr. Arias, who is responsible for handling and doing the functions that you are talking about in most municipalities?

Mr. Arias stated that in any municipality or Village that he works with, those duties are those solely completed by the Treasurer or Treasury Department. It doesn't matter if it's the Treasurer itself or someone in that department, it is a function of Treasury and no one else.

Mr. Sussman asked the Village Clerk, in your knowledge of working here, since you've been here the longest, you and Trustee Rue, in comparison with everyone else sitting up here at this time, who was the Treasurer during this time that Mr. Arias is speaking of and who always handled the functions that he is mentioning since you've both been here?

The Village Clerk responded, Mr. Lasher has been here since 2018 and those functions have always been handled by the Treasury Department the twelve (12) years I've been employed here.

Trustee Rue also responded that Mr. Lasher was the Treasurer during this time and the Treasury Department has always taken care of these functions. Heather was here and was pregnant and worked until her due date and then came back early to keep stuff up to date, Lilu slept here in a sleeping bag on the floor to keep things up to date, Melissa came here and laid on the floor because she had back problems, so there's no excuse, this guy is never here, he doesn't even come to the office to work, Andrew you know that, that's one of the reasons why it took so long for the 2019 audit to get done, because he was never here to give you the information you was looking for. Come on, we have to be honest and speak the truth, this guy, Gary Lasher, is the reason why the Village is like this and the financials are all screwed up. He is NEVER here to do his job and everybody knows that including his boss, the Mayor who is also not here.

Mr. Arias commented that this is a position that needs daily attention, someone has to be there, sitting working every day, it's a big job and a major piece of the Village, we don't expect perfection, but at this point, we don't even have a starting point because we could barely finish

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the 2019 audit because of the lack of information being reported and the inaccurate information.

Mr. Sussman also asked Mr. Arias, so let me make this clear, are you saying that the person or Treasurer that is responsible for these actions, due to their lack of attendance per say or lack of presence makes it hard to complete an audit?

Mr. Arias responded yes, that along with the lack of information being up to date and or accurate. We are not looking nor do we expect things to be perfect, if that was the case, then there'd be no need for us to come, so we expect some discrepancies, but for everything to be in total disarray, is totally unacceptable. It is not our job to piece things together to find the answers. Even if the individual wasn't here, having up to date and accurate information is workable, but not to have both, makes it almost impossible to get my job done as the auditor. I have given this Board and other Boards before this one suggestions for years and simple solutions to make things easier and they have not even been implemented or applied, which makes the job of me and my staff hard when we come here to do the audit. Changes have to be made for the better.

Executive Session

A motion was made by Trustee Rue with a second by Trustee Jenkins to go into Executive Session at 9:24am to discuss the following:

Personnel

Upon the call of the roll, all present were in favor.

A motion was made by Trustee Rue with a second by Trustee Jenkins to come out of Executive Session at 9:43am. Upon the call of the roll, all present were in favor.

Mr. Sussman read the following resolution into the record:

WHEREAS, the Village Board of the Village of Monticello, New York ("Board") has retained a forensic auditing firm, O'Connor and Davies, to review its books and records between 2019 and the present and to issue a report concerning the status of the Village finances, including but not limited to: timely deposits of the Village funds, reconciliations of bank statements, payroll practices and any other matter related to the State Comptroller's audit which the Village Board and Village Manager are charged by law with addressing and remediating;

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WHEREAS, that firm has made certain requests relating to review of bank statements and other books and papers in the sole possession of the Village Treasurer; and

WHEREAS, the Treasurer has objected to Counsel the production of certain books and records as beyond the scope of the Village Boards mandate and questioned whether their production is within the contemplation of the forensic audit;

NOW THEREFORE, it is resolved by the Village Board as follows:

1. All "WHEREAS" paragraphs are incorporated herein by reference as though set forth in full herein.
2. At the request of the Mayor and the Village Manger, the Village Board hereby directs the Treasurer to fully cooperate with the forensic audit now being conducted by O'Connor and Davies and understands "fully cooperate" to mean to provide all books and records requested for review and copying by the forensic auditors and respond fully and accurately to each and every question posed by the forensic auditors and those working with them as set forth in the Village records regarding this matter.
3. It is further resolved that the Village Board directs the Village Treasurer to complete the bank reconciliations for 2019-2022 forth with.
4. It is further resolved that Village Manger to provide a copy of this resolution to the Treasurer with the advice that it shall deem his failure to cooperate as set forth above insubordination and the basis for suspension and further disciplinary action within its discretion.
5. This Resolution shall take place effective immediately.

A motion was made by Trustee Rue with a second by Trustee Jenkins. Upon the call of the roll, all present were in favor.

Trustee Rue also commented that because we have a management form of government that makes the Village Manager the CEO of the Village. In the past we allowed the Manager to have access to all of the financials at the banks and I think that we need to do that again, because the Treasurer is refusing to give us any information and making it hard for us to know what is going on with the Village funds.

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Mr. Sussman made the following resolution and stated it into the record:

WHEREAS, the Village Board of the Village of Monticello, New York ("Board") in the course of its municipal business requires from time to time certain services, materials and supplies to be acquired or performed; and

WHEREAS, the Board pursuing best practices as well as complying with all provisions of law has determined to authorize action concerning the financials of the Village; and

WHEREAS, after the concerns presented by the Village Auditors, Cooper Arias, CPA and PFK O'Connor and Davies Accountants and Auditors and determining that it is fiscally prudent and proper to do so, the Village makes this Resolution regarding its action in furtherance of the public interest in doing so.

NOW THEREFORE, it is resolved by the Village Board as follows:

1. All "WHEREAS" paragraphs are incorporated herein by reference as though set forth in full herein.
2. The Village Board hereby grants the Village Manager the authority to obtain all of the financial documents from the Village Bank(s) as set forth in the Village records regarding this matter.

This Resolution shall take place effective immediately.

A motion was made by Trustee Rue with a second by Trustee Jenkins. Upon the call of the roll, all present were in favor.

Trustee Jenkins stated that he just wanted it on the record that the Mayor should be present here, him and the deputy, Mr. Banks. Treasury is an appointment of the Mayor and it's a shame that he has no control over his appointment and is letting this guy drag us through the mud like this and then he doesn't even show up to the meeting to support the Board in correcting his appointment. It's a shame that we are being held captive like this and the Village is going down the drain because of these two people. It's very sad and they are the blame for this, they don't give a darn about this Village and they continue to show it.

Trustee Rue stated that the Village is in very bad shape and the Mayor needs to do the right thing to get it back on track. It's his appointment and he is the only one with the authority to do something with him. Treasury has an office that is never used and it's a shame, that office is

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a disaster and the Village records are in bad shape and no one cares, and it shows. The Village has never been in this bad shape like this. The Mayor has to do something because the Village cannot keep going on like this.

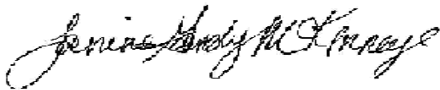
Manager's Report

Mr. Snowden stated that he received notification yesterday and he wants it on the record that the State cancelled the Art & Bagel Festival that was scheduled for this summer due to the construction on route 42 and East Broadway that will continue through the summer.

Adjournment

A motion was made by Rue with a second by Trustee Jenkins to adjourn the meeting at 9:50am. Upon the call of the roll, all present were in favor.

Submitted by:



Janine Gandy-McKinney, Village Clerk